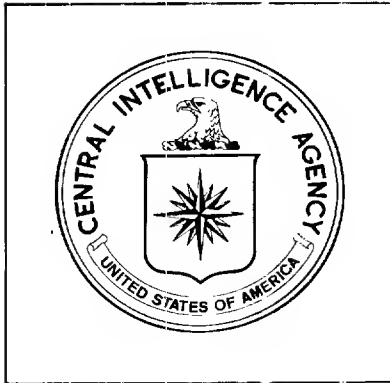


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WESTERN EUROPE – CANADA – INTERNATIONAL ORGANIZATIONS

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Italians Demand Step Toward a "Europe of
the Regions"

How would the European Community look if the Nine's regional units got "equal representation" in Brussels with the member states? Such a regional Europe is in fact a long way from achievement, but Italy's twenty regional governments have now moved the issue from the realm of philosophy to politics by requesting representation in order to engage in a "direct dialogue" with community authorities.

That Italy's regions are the first to take this step is not surprising: they have greater responsibilities in certain fields than other regions among the Nine. In Italy the regions are now responsible for agriculture, some social services and some aspects of regional development--all of which get monies from the EC. Moreover, regional acts are reviewed by the community to ensure consistency with EC rules. In pursuing its program to decentralize government functions, Rome will be transferring additional responsibilities to the regions in the future.

The constitutional arguments in Italy give the regions a good case. Also the regions are justifiably disturbed by the bureaucratic inefficiencies in Rome that result in the loss of EC funds to projects that are under their jurisdiction and want to be able to discuss funding directly with the EC.

The Italian foreign affairs ministry will have trouble handling the regions' request. The ministry recognizes the constitutional justification,

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but does not want to see its own position in Brussels further undercut--other ministries already are represented separately there. More important is the uncomfortable precedent regional representation would set for other EC members, especially the UK and France, which have serious problems with regions seeking greater autonomy. One Italian official has noted that a "pragmatic compromise solution" is needed, but had no idea what such a solution might be.

The regions' request has additional political ramifications for Italy--and the community. Five out of Italy's twenty regional administrations have direct participation by the Communist Party. The party would obviously be bolstered by an effective extension of its governmental role, even if the regions do not contest the constitutional right of Rome to conduct foreign affairs. Communist participation in direct bargaining with EC authorities would also tend to counter the arguments of some of the party's opponents that the communists are not serious in their support of the community.

The request of the Italian regions was accompanied by two specific proposals: that the presidency of the EC Council establish a "link" with an "inter-regional commission" and that a "regional center" be created in Brussels.

Delay, and possibly even ministerial disapproval in Rome, seems in store for the regions' request. It is virtually certain nevertheless that only the opening shots have been fired in what will be an important debate about Europe's future organization.
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Iceland-UK Fishing Dispute at an Impasse

A high ranking Icelandic official confirmed to the US ambassador on November 11 that Iceland and the UK remain far apart on a prospective fishing agreement.

Expert-level talks last week apparently achieved nothing, and a behind-the-scenes Icelandic effort to sound out possible compromises has also failed. The official, in a private meeting with a UK representative, had been authorized to raise Britain's annual fish catch to 65,000 tons. Until now, Reykjavik has refused to go beyond 50,000 tons and the UK has been pressing for 130,000 tons. The Icelandic official thought that the British might agree to an 80,000 ton catch but could not sell the new figure to the Icelandic government.

The current agreement between Iceland and the UK expires tomorrow. Unless negotiations get off the ground soon, there is a growing likelihood of a new round of clashes between Icelandic and British vessels. Unconfirmed reports are circulating in Reykjavik that UK warships are poised for an "attack" and the Fish Trawlers Captains Association has called for a break in relations with London.

Meanwhile, negotiations for an agreement with West Germany are proceeding apace, with the only unresolved issue being the location of fishing zones. Members of parliament representing constituencies that border the proposed areas have objected to what they regard as West German intrusion into Iceland's fishing waters. (CONFIDENTIAL NOFORN)

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